

**IN THE SPECIFICATION**

On pages 39, please replace the paragraph starting on line 13 with the following paragraph:

Adverse Selection Query Tool: The adverse selection query allows the due diligence manager to select groups of loans or individual loans based on parameters associated with the risk profile of the loan pool (see FIG. 11C). For example, the adverse selection query interface allows the due diligence manager to select loans based on a numeric field value associated with the loans, such as current balance, loan to value, combined Loan to Value, Debt to Income (DTI) Ratio, Days Delinquent. FIG. 12 sets forth other available numeric fields. The query interface allows the due diligence manager to choose from a standard set of operations and define boundary values for the query. For instance, the due diligence manager may select the DTI field, specify the "greater than" operator and input a boundary value of 60. The adverse selection query will return all loans in the pool with a DTI value greater than 60 percent. The adverse selection query also allows for selection of text fields, such as Property Type, Documentation Type, Origination Channel, Product Type, etc. (see FIG. 12). Text fields can either be free-form or code values. As to code values, the query screen provides a pull-down menu facilitating selection of values for each text field based upon a predefined list of codes. In addition, the query interface allows for selection of multiple codes within each text field. In addition, the adverse selection query allows the user to select any combination of text and/or numeric fields. In one

embodiment, the query interface presents pull-down menus containing available query fields to facilitate selection of search criteria (see FIG. 11C). In addition, the sample selection tool also allows for querying free form fields. For example, due to its non-standard nature, Credit Grade is available to query in a free form manner. In one embodiment, the due diligence manager may query by credit grade and then type. After the due diligence manager has entered all selection statements, the sample selection tool returns the number of loans in each field search category. Within each field search category, the sample selection ~~tool~~ tool presents the option to select loans randomly or manually.

On pages 40, please replace the paragraph starting on line 19 with the following paragraph:

Random Sampling: After the due diligence manager has completed the sample selection based on automated underwriting decisions, adverse selection criteria, and high risk report data, transaction management system 50 returns a subtotal of the loan count in the sample. Transaction management system 50 also returns the difference between the target sample size and the number of loans selected according to the query methods described above. Using the sample selection ~~tool~~ tool, the due diligence manager selects the number of loans to be added to the sample by random selection. See FIG. 11E.